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GOVERNMENT OF INDIA
DEPARTMENT OF COMMERCE

New Delhi, the 1st February 1947

RESOLUTION

TARIFFS

No. 218-T(86)/46.—In their Resolution in the Department of Commerce No. 218-T(55)/45, dated the 16th February 1946, the Government of India referred to the Tariff Board a claim to protection received from the cocoa powder and chocolate industry. The terms of reference to the Tariff Board are contained in paragraph 5 of Commerce Department Resolution No. 218-T(55)/45, dated the 3rd November 1945.

2. The Board, having considered this claim, has submitted its report to Government. The Board considers that the Cocoa Powder and Chocolate industry qualifies for the grant of protection in the transition period, and has made the following recommendations :—

(1) "The existing revenue duty of 30 per cent. *ad valorem* on cocoa powder and covering chocolate (item 18 of the Import Tariff Schedule) should be converted into a protective duty at the same rate, and the duty should remain in force for a period of not less than three years. The present preferential rate at 12 per cent *ad valorem* in favour of imports from Burma should be abolished.

(2) The present import duty at 30 per cent. *ad valorem* payable on cocoa beans (item 12 of the Import Tariff Schedule) should be abolished. Further, the amount of customs duty already paid on imported cocoa beans after the 16th February 1946, should be refunded.

(3) Facilities should be given to the Indian manufacturers of cocoa and chocolate to import beans from West Africa and Brazil or for that matter from anywhere in the world.

(4) The existing revenue duty at 60 per cent. *ad valorem* on confectionery including eating chocolate (item 17(2) of the Import Tariff Schedule) should be continued as revenue duty for the entire period of protection. The present preferential rate at 12 per cent. *ad valorem* in favour of imports from Burma should be abolished.

(5) The revenue import duty at 10 per cent. payable on cocoa and chocolate machinery (item 72 of the Import Tariff Schedule) should be refunded with effect from the 1st August 1946.

(6) So long as the present sugar control remains in force, an adequate quota of sugar should be given to the manufacturers of cocoa and chocolate.

(7) The manufacturers of cocoa and chocolate should take steps to employ foreign experts for a short period and also to form an Association.

(8) A summary enquiry through an Inspector should be made in the middle of the period of protection to ensure that the development of the industry is taking place on lines assumed in the report".

3. The Government of India have, after careful consideration, arrived at the following conclusions on the Board's recommendations:—

(i) The existing revenue duty of 30 per cent. *ad valorem* on cocoa powder and covering chocolate (item 18 of the Import Trade Schedule) should be converted into a protective duty at the same rate and the duty should remain in force for a period of not less than three years. As Burma is not in a position to compete effectively in the Indian market there is no need to abolish the preferential rates applicable to imports from Burma which are, in any case, governed by the Indo-Burma Trade Agreement, 1941.

(ii) The manufacturers of cocoa powder and covering chocolate should be exempted from payment of the import duty on cocoa beans, and action under Section 23 of the Sea Customs Act, 1878, is being taken to implement this decision. There is however no sufficient reason for refunding the amount of customs duty already paid on imported cocoa beans.

(iii) It is not possible to give a guarantee that the existing revenue duty of 60 per cent. *ad valorem* on confectionery will be continued for the full period of protection. For the reasons explained in sub-paragraph (1) above imports from Burma will continue to receive the existing preferential treatment.

(iv) The Government of India accept recommendation (3) and will give the industry facilities, so far as is practicable, for importing beans from West Africa, Brazil or any other sources of supply. With regard to the industry's requirements of sugar, arrangements are being made for a fair share of the available supplies to be allocated to the industry.

(v) The Government of India are actively considering recommendation (5) relating to the remission of duty on imported machinery.

(vi) The Government of India wish to draw the attention of the industry to recommendation (7) of the Board and expect that the industry will take the necessary steps to give effect to it.

ORDER

ORDERED that a copy of this Resolution be communicated to all Provincial Governments, all Chief Commissioners, the several Departments of the Government of India, the Political Department, the Private and Military Secretaries to His Excellency the Viceroy, the Central Board of Revenue, the Auditor General, the Director General of Employment and Resettlement, the Director General, Industries and Supplies, the High Commissioner for India in London, the Economic Adviser to the Government of India, the Director of Commercial Intelligence, Calcutta, the Indian Trade Commissioner, London, the Indian Trade Commissioners at New York, Buenos Aires, Toronto, Alexandria, Colombo, Paris, Mombasa, Tehran and Sydney, the Trade Agent, Kabul, His Majesty's Senior Trade Commissioner in India, the American Consulate General, Calcutta, the Canadian Trade Commissioner in India, the Australian Trade Commissioner in India, the Secretary, Tariff Board, Bombay, and all recognised Chambers of Commerce and Associations.

ORDERED that a copy be communicated to the Government of Burma.

ORDERED also that it be published in the *Gazette of India*.

N. R. PILLAI,
Secy. to the Govt. of India

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